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VIA HAND DELIVERY

November 22, 2005

Beth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602-0615 NOV 2. 2. 2005

ELECTRIC GENERATION AND TRANSMISSION STREET

Re:

In The Matter Of: The Application Of Thoroughbred Generating Company, LLC For A Merchant Power Plant Construction Certificate In Muhlenberg, County, Kentucky, Case No. 2002-00150

Dear Ms. O'Donnell:

Enclosed herewith please find for filing with the Commission the original and ten (10) copies of the Motion To Approve The IOA And Filing Of The Commission's November 8, 2005 Order in the above styled matter.

Please do not hesitate to contact the undersigned should you have any questions concerning this filing.

Sincerely,

Holland N. McTyeire, V

Lin Mothera

HNM/jh

Enclosures

cc:

A.W. Turner Dianna Tickner

Peter K. Matt
Carl W. Breeding
Carolyn M. Brown

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COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY STATE BOARD ON LELECTRIC GENERATION AND TRANSMISSION SITING

RECENSES KENTUCKY STATE LOS NO V 2 9 2005

ELECTRIC GENERAL TRAMSMISSION STATE LOS NO V 2 9 2005

In the Matter of:

THE APPLICATION OF THOROUGHBRED)	
GENERATING COMPANY, LLC FOR A MERCHANT)	CASE NO.
POWER PLANT CONSTRUCTION CERTIFICATE)	2002-00150
IN MUHI ENRERG COUNTY KY	1	

MOTION TO APPROVE THE IOA AND FILING OF THE COMMISSION'S NOVEMBER 8, 2005 ORDER

Applicant, Thoroughbred Generating Company, LLC ("Thoroughbred"), submits to the Board the November 8, 2005 Order in Case No. 2005-00300 before the Kentucky Public Service Commission, styled *Application of Big Rivers Electric Corporation for Approval of Electrical Interconnection Service to Thoroughbred Generating Company, LLC*, in which the Commission approved the Interconnection and Operating Agreement (the "IOA") between Thoroughbred and Big Rivers Electric Corporation ("BREC").

Thoroughbred moves the Board, similar to BREC's filing with the Commission, to approve the IOA finding it in compliance with the requirements of KRS 278.212(2), all other provisions of Kentucky law, the December 5, 2003 Order of the Board and otherwise fair, just, reasonable and non-discriminatory.

1. Thoroughbred advises the Board of the completion of the IOA (a copy of which is on file with the Commission and will also be provided to the Board upon request) and the Commission's November 8, 2005 Order both to receive a similar Order from the Board, as outlined above, and to apprise the Board of the status of the Project.

- 2. As noted in the Commission's November 8, 2005 Order, on July 15, 2005, BREC filed the IOA with the Commission. Gary Watrous and Kentucky Utilities Company, who are parties to this proceeding, both advised the Commission that they did not object to the proposed IOA and did not intend to intervene in the proceeding before the Commission.
- 3. The Commission conducted an initial review of the IOA. On August 24, 2005, the Commission issued a Procedural Schedule providing deadlines for motions to intervene and data requests. On September 6, 2005, Thoroughbred moved to intervene and was the only person or entity to do so. On September 14, 2005, the Commission granted Thoroughbred's Motion for Full Intervention.
- 4. On September 12, 2005, the Commission Staff issued seven data requests to BREC which it thoroughly answered on September 23, 2005.
- 5. On November 8, 2005, the Commission issued its Order reviewing the IOA and finding as follows: "the terms and conditions of the IOA are in compliance with the requirements of KRS 278.212(2) and are fair, just, reasonable, and non-discriminatory." Order at 3 (attached hereto as Exhibit 1).
- 6. Thoroughbred requests an Order from the Board, similar to that issued by the Commission, and would request such an Order be entered as expeditiously as possible given both the thorough and complete review conducted by the Commission and in recognition of the fact that the Staff of the Commission and the Board are the same.
- 7. It should be noted that the Order requested herein, as well as that received by Big Rivers from the Commission, serve to comply with and resolve Condition K of the Board's December 5, 2003 Order. However, this Motion does not impact or address Condition L of the

Board's Order which Thoroughbred is hopeful it may be able to resolve in the future with Intervenor, Louisville Gas & Electric/Kentucky Utilities Company.

Therefore, for the reasons set forth above, Thoroughbred requests an Order from the Board approving the IOA and finding it in compliance with KRS 278.212(1), all other provisions of Kentucky law, the Board's December 5, 2003 Order and otherwise fair, just, reasonable and non-discriminatory.

Respectfully submitted,

Carl W. Breeding

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COUNSEL FOR THOROUGHBRED GENERATING COMPANY, LLC

CERTIFICATE OF SERVICE

It is hereby certified that a copy of the Motion to Approve the IOA and Filing of the Commission's November 8, 2005 Order was sent by United States First Class Mail, sufficient postage pre-paid, to the following this 22nd day of November, 2005:

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	
CORPORATION FOR APPROVAL OF ELECTRICAL)	CASE NO.
INTERCONNECTION SERVICE TO)	2005-00300
THOROUGHBRED GENERATING COMPANY, LLC)	

ORDER

On July 17, 2003, Thoroughbred Generating Company, LLC ("Thoroughbred") filed with the Kentucky State Board on Electric Generation and Transmission Siting ("Siting Board") its Application for a Merchant Generating Facility in Muhlenberg County, which the Siting Board approved on December 5, 2003. The Order conditionally granted Thoroughbred a certificate to construct its generating project, setting forth the parameters of an Interconnection and Operating Agreement ("IOA") between Thoroughbred and Big Rivers Electric Corporation ("Big Rivers") to be submitted to the Kentucky Public Service Commission for approval.

The Siting Board's Order specifically states:

Thoroughbred and Big Rivers are put on notice that any agreement negotiated between them regarding transmission interconnect issues shall comply in all respects with KRS 278.212(2). Thoroughbred shall hold Big Rivers, KU, and LG&E harmless for costs of any and all interconnection and network upgrade costs. Kentucky ratepayers may not be required to subsidize Thoroughbred's investment contrary to the provisions of KRS 278.212(2) and contrary to this Board's mandate to ensure economically favorable results when reviewing an application to construct a merchant power plant. Moreover, Thoroughbred shall agree to pay its fair allocated share of operating and maintenance costs of the transmissions system. Failure to comply in all respects with this condition shall render the certificate granted herein void.

On July 15, 2005, Big Rivers filed its agreement with the Commission seeking approval of a May 25, 2005 IOA to provide electric transmission interconnection service to Thoroughbred. Thoroughbred has intervened in this case, and two other parties to the Siting Board case, Kentucky Utilities Company and Gary Watrous, have filed letters indicating they do not object to the proposed IOA. After initial review of the IOA, the Commission issued a data request to which Big Rivers responded on September 26, 2005.

The IOA establishes the terms and conditions under which Thoroughbred will develop and construct the facilities needed to interconnect the proposed Thoroughbred generating facility with the Big Rivers transmission system, and provides for each party's respective rights, obligations, and liabilities for the ongoing operation of the Thoroughbred generating plant and the Big Rivers transmission system.

The IOA requires that Thoroughbred pay all costs associated with the construction, operation, and maintenance of the facilities needed to interconnect the Thoroughbred generating plant, pursuant to KRS 278.212(2), with the Big Rivers transmission system. It further provides for Thoroughbred to construct, own, and operate at its expense the interconnection facilities, all of which are located on the Thoroughbred side of the point of interconnection.

Thoroughbred will design and construct, at its cost, the upgrades needed on the Big Rivers transmission system to accommodate the additional power flows that will result from the operation of the Thoroughbred generating plant. Once completed and placed into service, the Network Upgrades will be owned, operated, and maintained by Big Rivers.

The IOA further sets forth the respective operation and maintenance responsibilities of Thoroughbred and Big Rivers and establishes a mutually-represented Coordinating Committee that will administer all included provisions.

The IOA ensures that the interconnection of the Thoroughbred facility with Big Rivers transmission system will not jeopardize the reliability of the Big Rivers system and that Thoroughbred will bear the costs and expenses associated with the Network Upgrades required to accommodate Thoroughbred's load.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the terms and conditions stated in the IOA are in compliance with the requirements of KRS 278.212(2) and are fair, just, reasonable, and non-discriminatory.

IT IS THEREFORE ORDERED that the request for approval of the Big Rivers / Thoroughbred IOA is granted.

Done at Frankfort, Kentucky, this 8th day of November, 2005.

By the Commission

ATTEST:

Executive Director